

The following Questions and Answers (Q&As) are provided to further clarify the requirements of this Government-wide acquisition for electronics recycling and asset disposition services. This is the second set of Q&As for this requirement.

Q1. Within the proposal preparation guidelines - Provision L.7., Section A. Proposal Content, there is a reference that the respondent should comply with the SOO outlined in the RFP. These objectives (SOO) are not clearly delineated as such. I do understand from reading the RFP what is required as objectives and tasks (such as section Section III. Objectives and Section IV. Scope). If you mean to create a specific list under the SOO, these should be noted as such in a heading or from the proposal preparation instructions, note the specific section number containing the SOOs.

A1. The resulting contract for this requirement will be considered performance based. By definition, a performance based contract describes the minimum objectives that the Government needs the contracting community to fulfill. In other words, a Statement of Objectives. The contracting community is required to propose the most efficient approach, alternatives, methodologies, and options available for meeting those objectives. Under the method of performance based contracting, we no longer delineate to contractors exactly how the work is to be accomplished. Contractors who specialize in the effort should propose the best methodologies for meeting the Government's needs and objectives.

For this proposal, companies should clearly describe how they plan to meet the Government's objectives. The evaluation criteria for source selection are clearly delineated: technical capability and approach; management approach; subcontract organization and tasking; addressing a sample task order; key personnel; corporate experience; and past performance. Within your technical approach, I can only recommend that you address how you would meet our objectives, as outlined in the SOO. In order to reduce confusion, we have changed the word "comply" with "meet" in the third paragraph of Section A. Compliance will be addressed when task orders are issued for specific requirements.

Q2. In the Pricing Schedule that you are requesting by equipment type, you request a price for quantities other than one each (25, 100, 250, etc.). Are we to assume that this is a quantity for one location or for one task order? Pending an answer, I am assuming that this is a quantity discount for one location. The price to process 25 monitors in one location, is quite different from processing 5 monitors from 5 different locations, for a variety of reasons.

A2. The pricing schedule establishes estimated pricing for the actual recycling of electronic items described in Section B. As stated in the revisions to Clause B.1, logistical costs associated with retrieving multiple items from multiple locations will be addressed on a task order by task order basis. Once a customer agency identifies their requirement, multiple READ contractors will be asked to submit a proposal on that specified requirement. Within

the proposal for the specific task order, the contractor should price out the logistical costs associated with picking up, delivery, transportation, and/or relocation for that particular requirement. This issue is further discussed in A3 below.

Therefore, the itemized pricing in Section B should assume items are in one location. In addition, the proposal pricing instructions provides the estimated number of units and the estimated dimensions and weight of the different types of equipment described in B.1. This information should be used for pricing purposes so that contractors can be evaluated on an apples-to-apples basis. The proposed rates will be included in Section B of the contract.

Q3. We recommend that the rate structure in Section B be modified as a single price that includes any additional pick-up, transportation, and delivery costs [logistical costs] so that the recycling cost per item is the same whether the items are located throughout the continental U.S., or are located in one central warehouse.

A3. Given the fact that this contract is a new Federal initiative without any historical information, and assuming the potential magnitude of this contract given the size of the Federal Government, we have decided that we cannot require contractors to include potential logistical costs in the pricing structure at this time. The difference in logistical costs between a single warehouse in Washington, DC, with 20,000 electronic items, and 20,000 items located in 40 cities throughout the country is significant. We have added language to clause B.1 which stipulates that the logistical costs associated with a requirement will be priced out during the competition for that particular requirement. For pricing purposes, Section B rates should include the cost of completely recycling an item that has been delivered to the recycler's facility, i.e. the complete recycling cost. Logistical costs will be addressed at the task order competition level. Some agencies may deliver items to the selected recycling facility while some agencies may require multiple pick-ups. These details will be spelled out during the task order competition process.

Q4. Under Clause B.2, you have identified minimum and maximum amounts of \$10,000.00 and \$2,000,000.00, respectively. Given the fact that this will be a multiple award contract, with several contractors bidding for each requirement, how will the minimums be met. In addition, how many contracts will you award from this RFP? Will the contract recipients be geographically dispersed or will they be required to provide nationwide coverage?

A4. After discussing the issue within EPA, we have decided to award six contracts (i.e, if six qualified proposals are received) and potentially as many as nine separate contracts to fulfill these requirements. We are reserving the right to award fewer than nine contracts, if we determine that less contracts will adequately fulfill our objectives.

Since this is a total small business set aside, and most interested contractors cannot provide nationwide coverage, we have decided to split the nine potential contracts as follows:

Group A - EPA will award up to three nationwide contracts, whereby selected contractors may be required to provide recycling services to Government agencies and departments that have offices located within and throughout the 48 continental states;

Group B - EPA will award up to three eastern U.S. contracts, whereby the selected contractors will compete for services which only require recycling services to agencies and departments the are located east of the Mississippi river (i.e., some requirements may only be in DC, or NY, and some may be for offices located in several cities in the eastern continental U.S.; and

Group C - EPA will award up to three western U.S. contracts, whereby the selected contractors will compete for services which only require recycling services to agencies and departments the are located west of the Mississippi river.

The decision on whether the Group A READ contractors bid on a certain requirement or Group B or Group C READ contractors bid on certain requirements will be made after contract award, but before the task order placement process. Initially, we will allow Group A nationwide contract holders to compete with Group B and C contract holders for most requirements.

In addition, if a contractor is selected for services in one group, they cannot receive a contract within another group. Within the proposal, contractors must specify their order of preference with regard to being selected for Groups A, B, or C.

With regard to the contract minimum and maximum question, since EPA is not sure how many agencies and departments will actually use these services since it is not required by Executive Order or any other statute, we have reduced the minimum from \$10,000.00 to \$2,500.00 and raised the maximum from \$2,000,000.00 to \$5,000,000.00. We anticipate that after the first year of performance, numerous agencies will begin utilizing the services. However, government-wide usage is difficult to predict given the economics of Federal fiscal budgeting.

Q5. In the list of equipment in L.7, it lists SGVA MONITORS. I believe you mean SVGA.

A5. Correct, the citation is changed to read SVGA.

Q6. Within the Statement of Objectives under Section C, it appears that logistical assistance is only provided for those computers that are to be donated or redeployed. Please clarify if this is correct.

A6. Logistical assistance will be necessary whether the items will be donated redeployed, resold, or recycled, etc. We have modified the language in the SOO to be clear that logistical

assistance is not necessarily tied to only donated or redeployed items.

Q7. The READ SOO makes the specific assumption that equipment will be "centrally located" prior to testing, auditing and tracking (paragraph D on Page C-5). We would request that this clause delete the reference to "centrally located" and read as follows, "Once the equipment has been received for processing, the contractor will perform testing..."

A7. We have changed the language so that testing is not "required" at a centrally located facility. However, the approach for testing the equipment should be proposed and discussed in the contractor's technical approach.

Q8. Should additional READ contractor offerings, such as creative services not envisioned as part of the core requirements, be submitted under "Suggestions for Alternative Terms and Conditions by the Offeror"? These offerings would be services offered above and beyond the basic requirements of the RFP services. In the explanation of this section, it discourages exceptions but does not state where additional services might be proposed. Since the contract is all about creative solutions that may not have been anticipated, contractors responding to the RFP should receive guidance where to list and propose such additional services (assuming they meet core requirements). Finally, where does this section belong in the Proposal response, as EXCEPTIONS (Section 3 on L-11) applies to terms and conditions, not necessarily additional capabilities of deliverable that are offered.

A8. If you have innovative methodologies for addressing and meeting EPA's expected requirements, those approaches should be described in the technical proposal, your technical approach, and possibly under the sample task order. It is your decision to make. Our technical evaluation takes into consideration approaches that are innovative and go above and beyond the minimum needs. The reference to alternative terms and conditions is for offerors who cannot comply with the standard FAR clauses or EPA requirements, and would like to propose alternative terms and conditions. The "Suggestions for Alternative Terms and Conditions by the Offeror" is for alternate contract terms and conditions, not technical approaches or methodologies related to meeting the Statement of Objectives.

Q9. Order Limitations section I.3 has confusing, almost contradictory, language in paragraph (d). The wording provides an exception to an exception (b) and (c) that makes it unclear how a contractor is to respond to an order that is over the limit. Please reword this to make it clear what your intention and a contractor's response should be.

A9. The ordering limitation clause is a standard Federal Acquisition Regulation (FAR) clause that is designed to protect the contractor's interest and not require a contractor to fulfill a requirement that the contractor cannot and should not be expected to meet. Paragraph (d) requires companies to honor an order unless we are notified that you cannot honor the order, then we will go to an alternate source. Therefore, the Government provides

the contractor an opportunity to perform the work, if it can, but does not require it do so if it cannot. We cannot change this clause without getting approval from the FAR council which is under the Office of Federal Procurement Policy (OFPP), not EPA.

Q10. On page B-6, the draft RFP states that the proposed rates for each piece of equipment "covers all expenses, including report preparation, salaries, overhead, general and administrative expenses, and profit." On Page G-3, under price proposals for task orders, the proposal should include detailed cost/price amounts for "all resources required to accomplish the performance objectives (i.e. man-hours, equipment, travel, transportation, etc.)." It is unclear whether fixed prices per item should include recycling costs incurred for processing recycled waste (plastic regrinds, metal scraps, etc.) It may be more price advantageous to the government to recycle waste near the source of the equipment (as it negates the need to ship waste to the READ contractor's facility). However, since travel costs are paid for as part of the task order reimbursement, a READ contractor may elect to have items shipped to his/her facility for processing instead of incurring recycle costs near the government source facility. Similarly if the Government does not pay for recycle costs for waste, there is an incentive to place recycled waste (such as plastic grinds) in landfills rather than shipping them or paying to have them recycled.

If the government is not going to pay for a facility to accept waste (assuming that the READ contractor incurs these costs as part of his fixed price per electronic item), the READ contractor will need to factor in the addition recycle/disposal costs as part of each fixed price line item. Please clarify in detail, exactly what costs are covered in the fixed price schedule in Section B as part of the READ contractor's fixed cost per item. Any cost not listed can then be assumed as a reimbursable expense under the task order price proposal addressed on Page G-3 of the draft RFP.

A10. Under clause G.3, "Task Order Fair Opportunity Process", we provide direction regarding how task orders will be competed after contracts are issued. The price proposals for individual task orders must include pricing information that covers ALL costs associated with completely recycling the equipment, creating an audit trail on the items destination, and reporting that information to the customer. As described in the background section of the SOO, this contract anticipates providing all aspects of electronic recycling, and contractors should price their proposals as such. The pricing should include the objectives described in the SOO, including "processing recycled waste". We do not foresee recyclers dumping electronics in a landfill or selling items to brokers to help reduce costs under this contract.

In addition, after competed task orders are completed, each READ contractor will be given performance scores based on their ability to control costs, satisfy customer requirements, etc., so that the Government can assess past performance for future task orders decisions. If a contractor consistently overruns costs because they did not understand the requirements, or requests increases in funding to their task order because their proposed approach did not consider everything required for recycling, then past performance will be documented accordingly. Therefore, the pricing in Section B and Section G-3 should include ALL costs

associated with ALL aspects of proper recycling, asset disposition, tracking and reporting. The logistics issues is addressed in Q&A #2 and #3 above.

Q11. Some offerors will have no past-performance information. Will this mean that vendors with documented positive past performance will have a 10% edge in the early period of the solicitation?

A11. As described in Provision L.6, Past Performance Information, paragraph (i), offerors with no relevant past performance history, or for whom information on past performance is not available, will be evaluated neither favorably nor unfavorably on past performance.

Q12. With regard to Clauses H.7, EPA Electronic Recycling and Asset Disposition Certification, will successful vendors be certified prior to receipt of electronic material?

A12. EPA intends to perform the certification audit at the selected contractor's facility prior to the selected contractor receiving electronic materials from customer agencies. However, EPA will not perform the H.7 audit process prior to award of the contracts in response to this solicitation.

Q13. Who will determine if proposed priced are realistically high or low? If a company maintains the experience, technology, equipment, facilities and trained staff to perform this work then their costs will be significantly lower than a vendor who must form a "consortium" of contractors to meet the requirements of the solicitation. This may result in significant differences in proposed costs that could be defined as unrealistic.

A13. EPA will evaluate cost reasonableness and cost realism, as described in Section M of the solicitation. However, the interpretation that a "consortium" of contractors is more expensive than a vendor who provides all the services required for this solicitation is only speculation. A cost realism and cost reasonable analysis evaluates whether or not an offeror can deliver the services at the prices proposed. The business practices associated with meeting the requirements is a decision that the contractor must make without Federal influence.

